

**OSHIMA CHUN
FONG & CHUNG LLP**
A LIMITED LIABILITY LAW PARTNERSHIP

August 26, 2004

PUBLIC UTILITIES
COMMISSION

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FILED

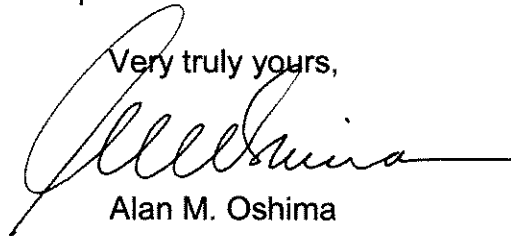
Public Utilities Commission
Kekuanaoa Building
465 South King Street
Room 103
Honolulu, Hawaii 96813

RE: Docket No. 04-0140 – Federal Communications Commission Approvals

Dear Commissioners and Staff:

Enclosed for the Commission's information are public notices issued by the Federal Communications Commission approving the applications to allow the transfer of control of Verizon Hawaii to The Carlyle Group.

Very truly yours,



Alan M. Oshima

Enclosures

cc: Division of Consumer Advocacy
Department of Defense
Mr. William E. Kennard
Mr. Joel K. Matsunaga
Leslie Alan Ueoka, Esq.
Pacific LightNet, Inc.
Time Warner Telecom of Hawaii L.P.
Individual Retirees/IBEW

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PUBLIC NOTICE

Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
TTY 202 / 418-2555
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

DA 04-2541
Released: August 17, 2004

STREAMLINED DOMESTIC SECTION 214 APPLICATION GRANTED

WC Docket No. 04-234

On July 15, 2004, the Wireline Competition Bureau issued a public notice seeking comment on the transfer of Verizon Hawaii, Inc. (VZ-HI) to the Carlyle Group.¹ This application has been granted pursuant to the Commission's streamlined procedures for domestic section 214 transfer of control applications.² The Wireline Competition Bureau has determined that grant of this application serves the public interest.³

The Commission received one comment in opposition to the proposed transfer of control from Pacific LightNet, Inc. (PLNI).⁴ PLNI requests that the Commission reject or remove the application for transfer of control from streamlined treatment or impose stringent conditions on the terms of the transfer.⁵ PLNI states that the application raises public interest concerns because the proposed transaction threatens to (1) diminish the efficiency of Hawaii's only incumbent network's operations support system and (2) increase the rates businesses, consumers, and competitors pay for the new entity's service.⁶ PLNI also states that the application raises national security concerns because of the Carlyle Group's "looming strategic interest in

¹ Domestic Section 214 Application Filed For Transfer of Control of Verizon Hawaii, Inc. to the Carlyle Group, WC Docket No. 04-234, DA 04-2148 (rel. July 15, 2004).

² 47 C.F.R. § 63.03.

³ *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, CC Docket No. 01-150, Report and Order, 17 FCC Rcd 5517, 5529, para. 22 (2002).

⁴ See PLNI Comments at 1. The Commission received one other comment in support of the proposed transfer of control. See Sandwich Isles Communications, Inc. Comments at 3.

⁵ PLNI Comments at 2.

⁶ PLNI Comments at 2.

developing a Trans-Pacific network to serve areas where the United States military has a significant presence.”⁷

The Applicants respond that, pursuant to a Transition Services Agreement to be entered into by the parties to the transaction, the transferee, Paradise MergerSub, Inc. (PMSI), intends to utilize the back-office systems currently in place for Verizon Hawaii for up to nine months from the date of closing of the transaction, as it transitions to its own back-office systems.⁸ The Applicants explain further that PMSI will not raise rates as it transitions the Hawaii telecommunications operations to new ownership and new back-office systems.⁹ The Applicants also argue that PLNI fails to demonstrate how potential future acquisitions by the transferee in other telecommunications markets would raise national security concerns for the transaction currently before the Commission.¹⁰

After careful consideration of the record in this proceeding, we conclude that the concerns raised by PLNI are not sufficient to persuade us to remove the application from streamlined treatment. Nor do we find it necessary to impose any conditions on the terms of the transfer. We rely on the Applicants’ representation that they have a reasonable plan for developing and transitioning to independent back-office systems without “reduction, impairment, or discontinuance of service to any customer”¹¹ and without “rais[ing] rates as it transitions ... to new ownership and new back-office systems.”¹² With regard to national security, the Commission can evaluate the effect of any future transactions as they are brought before it. We are satisfied, based on the record, that the proposed transaction is in the public interest and should be granted accordingly.¹³

For purposes of computation of time for filing a petition for reconsideration or application for review, or for judicial review of the Commission’s decision, the date of “public notice” shall be the release date of this notice.¹⁴

⁷ PLNI Comments at 7.

⁸ PMSI Reply Comments at 2.

⁹ PMSI Reply Comments at 3-4.

¹⁰ PMSI Reply Comments at 4.

¹¹ PMSI Reply Comments at 2.

¹² PMSI Reply Comments at 3-4.

¹³ The applicants have also filed an application with the Hawaii Public Utilities Commission. Our approval of this transaction is not intended to prejudice the Hawaii PUC’s own, independent review of issues properly before it.

¹⁴ *Id.*; see 47 C.F.R. § 1.4 (computation of time).

Effective Date of Grant: 8/15/04

For further information, please contact Kimberly Jackson, Competition Policy Division, Wireline Competition Bureau, at (202) 418-7393.



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
445 12th Street, S.W., TW-A325
Washington, DC 20554

News Media Information (202) 418-0500
Fax-On-Demand (202) 418-2830
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

Report Number: 1921

Date of Report: 08/25/2004

44137

Wireless Telecommunications Bureau

Assignment of License Authorization Applications, Transfer of Control of License Applications, De Facto Transfer Lease Applications and Spectrum Manager Lease Notifications Action

This Public Notice contains a listing of applications that have been acted upon by the Commission.

Purpose	File Number	Parties	Action Date	Action
AM	0001577343	Assignor: Scott C. MacIntyre Assignee: VIRGINIA, COMMONWEALTH OF	08/18/2004	C

Full Assignment

Call Sign or Lead Call Sign: WPVE519

Radio Service Code(s)

CP

AM	0001580901	Assignor: Buttner Holdings, LLC Assignee: VIRGINIA, COMMONWEALTH OF	08/18/2004	C
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Full Assignment

Call Sign or Lead Call Sign: WPVP997

Radio Service Code(s)

CP

Purpose	File Number	Parties	Action Date	Action
AM	0001778004	Licensee: Verizon Hawaii Inc. Transferor: Verizon Hawaii Inc. Transferee: Paradise MergerSub, Inc.	08/19/2004	C

Transfer of Control

Call Sign or Lead Call Sign: KCG66

Radio Service Code(s)

CB
CF
CR
CT
IG
MG

- 1 This consent is without prejudice to whatever enforcement action may be deemed appropriate arising from the facts discussed herein.
- 2 The Bureau's consent to this application is subject to the bankruptcy court's approval of the reorganization plan ("Plan") substantially as it is explained in the application. The parties are required to notify the Bureau of any substantial changes in the Plan between the date of our approval and the bankruptcy court's approval.

Purpose Key:

AA Assignment of Authorization
 AM Amendment of AA; TC; TL; or ML
 TC Transfer of Control
 WD Withdrawal
 TL *De Facto* Transfer Lease

ML Spectrum Manager Lease

Action Key:

C Consented
 D Dismissed
 G Granted (Forbearance) and *De Facto* Transfer Lease Applications
 K Killed
 M Consummated

P Returned to pending
 Q Accepted (Spectrum Manager Lease Notifications)
 R Returned
 T Terminated
 V Lease terminated or Lease not commenced
 W Withdrawn
 Z Application removed from streamlined processing procedures

Radio Service Key:

AA Aviation Auxiliary Group
 AB Aural Microwave Booster
 AF Aeronautical and Fixed
 AI Aural Intercity Relay
 AR Aviation Radionavigation
 AS Aural Studio Transmitter Link
 CA Commercial Air-ground Radiotelephone
 CB BETRS
 CD Paging and Radiotelephone
 CE Digital Electronic Message Service
 CF Point to Point Microwave
 CG Air-ground Radiotelephone
 CL Cellular
 CN PCS Narrowband
 CO Offshore Radiotelephone
 CP Part 22 VHF/UHF Paging (excluding 931MHz)
 CR Rural Radiotelephone
 CT Local Television Transmission
 CW PCS Broadband
 CZ Paging and Radiotelephone, Auctioned
 GB Business, 806-821/851-866 MHz, Conventional
 GC 929-930 MHz Paging Systems, Auction
 GF Public Safety Ntl Plan, 821-824/866-869 MHz, Conv.
 GI Other Indust/Land Transp, 896-901/935-940 MHz, Conv.
 GO Other Indust/Land Transp, 806-821/851-866 MHz, Conv.
 GP Public Safety/Spec Emerg, 806-821/851-866 MHz, Conv.
 GR SMR, 896-901/935-940 MHz, Conventional
 GS Private Carrier Paging, 929-930 MHz
 GU Business, 896-901/935-940 MHz, Conventional
 GX SMR, 806-821/851-866 MHz, Conventional
 IG Industrial/Business Pool, Conventional
 IK Industrial/Business Pool - Commercial, Conventional
 LD Local Multipoint Distribution Service
 LN 902-928 MHz Location Narrowband (Non-Multilateration)
 LP Broadcast Auxiliary Low Power
 LS Location and Monitoring Service, Multilateration (LMS)
 LV Low Power Wireless Assist Video Devices
 LW 902-928 MHz Location Wideband (Grandfathered AVM)
 MA Marine Auxiliary Group
 MC Coastal Group
 MG Microwave Industrial/Business Pool

MK Alaska Group
 MR Marine Radiolocation Land
 MS Multiple Address Service, Auctioned
 MW Microwave Public Safety Pool
 NC Nationwide Commercial 5 Channel, 220 MHz
 PA Public Safety 4940-4990 MHz Band
 PC Public Coast Stations, Auctioned
 PE Digital Electronic Message Service - Private
 PW Public Safety Pool, Conventional
 QA 220-222 MHz Band Auction
 QD Non-Nationwide Data, 220 MHz
 QM Non-Nationwide Public Safety/Mutual Aid, 220 MHz
 QO Non-Nationwide Other, 220 MHz
 QT Non-Nationwide 5 Channel Trunked, 220 MHz
 RP Broadcast Auxiliary Remote Pickup
 RS Land Mobile Radiolocation
 TB TV Microwave Booster
 TI TV Intercity Relay
 TN 39 GHz, Auctioned
 TP TV Pickup
 TS TV Studio Transmitter Link
 TT TV Translator Relay
 WA Microwave Aviation
 WM Microwave Marine
 WR Microwave Radiolocation
 WS Wireless Communications Service
 WX 700 MHz Guardband
 WZ Lower 700 MHz Bands
 YB Business, 806-821/851-866 MHz, Trunked
 YC SMR, 806-821/851-866 MHz, Trunked, Auctioned
 YD SMR, 896-901/935-940 MHz, Auctioned
 YF Public Safety Ntl Plan, 821-824/866-869 MHz, Trunked
 YG Industrial/Business Pool, Trunked
 YI Other Indust/Land Transp, 896-901/935-940 MHz, Trunked
 YK Industrial/Business Pool - Commercial, Trunked
 YO Other Indust/Land Transp, 806-821/851-866 MHz, Trunked
 YP Public Safety/Spec Emerg, 806-821/851-866 MHz, Trunked
 YS SMR, 896-901/935-940 MHz, Trunked
 YU Business, 896-901/935-940 MHz, Trunked
 YW Public Safety Pool, Trunked
 YX SMR, 806-821/851-866 MHz, Trunked
 ZV Interactive Video and Data Service

* If the purpose of application is Amendment or Withdrawal and the disposition action indicates that a Dismissal occurred, there may be a previous version of that application still pending in ULS. You are encouraged to utilize ULS Application Search to research the disposition status of all versions of a particular filing.

The Bureau's weekly Public Notices only provide basic information regarding applications filed and actions taken. Specifically, our Public Notices do not list detailed transaction descriptions or new call signs assigned by the Bureau as a result of assignments of authorization. The detailed instructions below are intended to guide interested parties in obtaining more detailed information via ULS.

How to view an application listed on this Public Notice via ULS.

- * Note the 10-digit file number listed on the Public Notice;
- * Access the ULS (instructions are on the internet at <http://www.fcc.gov/wtb/uls>);
- * From the ULS Online Systems Menu in the center of the screen, scroll down to the "Search" section and click on the "Applications" button;
- * On the Application Search Screen, select the Search Type for "Transfers and Assignments" and click on the "Continue" button;
- * Type the application's 10-digit file number into the "File Number" field on the Application Search screen;
- * Scroll to the bottom of the page and click the "Search" button;
- * When the search is completed, the application will be listed by file number on the screen;
- * Click on the file number (in hypertext) to view the application and attachments.

Exclusions: Transfer and Assignment applications filed for the Multipoint Distribution and Multichannel-Multipoint Distribution Services (MD) and Instructional Television Fixed Service (VX) are not yet available in the ULS database. Copies of these filings may be obtained through the Commission's Reference Information Center, located in Room CY-A257 at 445 12-th Street SW, Washington, DC 20554.

How to find new call signs created as a result of an assignment of authorization.

- * View the assignment application in ULS as listed above in "How to view an application on this Public Notice via ULS";
- * At the bottom of the application display screen, select "History" from the "Application Options" and click on the "Go" button;
- * From the History screen, locate the Application Consented Date, this will be the Grant Date of the new callsign generated as a result of a consummated assignment of authorization;
- * Click on the "Home" button at the bottom of the screen to return to the ULS Online Systems page;
- * Scroll to the "Search" section and click on "Licenses";
- * On the License Search screen, click the "Advanced License Search" link;
- * In the Licensee Name field, key the name of the Assignor of the Assignment, under License Detail Dates, select "Grant Date", select the "To" and "From" dates and enter the Application Consented Date in both the "To" and "From" fields;
- * Scroll to the bottom of the screen and click "Submit";
- * Click on the call sign (in hypertext) to view the license details.